

## Message Text

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ORIGIN AF-08

INFO OCT-01 EA-07 ISO-00 EB-08 TRSE-00 L-03 AID-05 CIAE-00  
COME-00 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03  
SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15  
STR-04 CEA-01 /087 R

DRAFTED BY AF/C:EMARKS:GJB

APPROVED BY AF/C:TRBUCHANAN

EB/OMA:BCROWE (,HONE)

TREAS:PDREXLER (PHONE)

EA/J:DFSMITH (PHONE)

-----230142 005098 /72-62

R 222350Z FEB 77

FM SECSTATE WASHDC

TO AMEMBASSY KINSHASA

INFO AMEMBASSY TOKYO

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E.O. 11652: N/A

TAGS: CG, EFIN

SUBJECT: CITIBANK'S PLANS FOR IMPLEMENTATION OF LONDON  
PRIVATE BANK AGREEMENT

1. CITIBANK VP HAMILTON MESERVE BRIEFED DEPTOFF ON BANK'S  
PLANS FOR IMPLEMENTATION OF LONDON PRIVATE BANK AGREEMENT  
ON FEBRUARY 18. APART FROM SPECIFIC ARRANGEMENTS  
DESCRIBED BELOW, MESERVE SAID CITIBANK IS PRESENTLY  
RELAXED ABOUT DEVELOPMENTS AT MOMENT, AND IS WAITING  
PATIENTLY FOR IMF DISCUSSIONS TO END. HE NOTED TWO  
QUESTIONS WHICH WILL BECOME INCREASINGLY IMPORTANT FOR  
ZAIRE AS IMPLEMENTATION PROGRESSES: ASSISTANCE PLANS OF  
USG, AND JAPANESE PARTICIPATION IN PROPOSED SYNDICATED  
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LOAN. IN RESPECT TO LATTER, MESERVE COMMENTED THAT  
CITIBANK AND OTHER MEMBERS OF SYNDICATE WILL UNDOUBTLY  
REQUEST USG ASSISTANCE IN OBTAINING JAPANESE PARTICIPATION.

2. AS REPORTED PREVIOUSLY, CITIBANK IS NOW AWAITING  
CONCLUSION OF IMF-GOZ CONSULTATION ON SECOND STABILIZATION  
PROGRAM AND STAND-BY AGREEMENT. THEY ASSUME AGREEMENT

WILL BE APPROVED BY IMF BOARD BY APRIL 1 (ESTIMATE WE  
CONFIRMED ON BASIS ON RECENT CONVERSATION WITH MAURICE  
TEMPELSMAN). APPROXIMATELY TWO WEEKS AFTER FORMAL AGREEMENT

REACHED, SENIOR VP FRIEDMAN AND MESERVE WILL VISIT  
KINSHASA TO REVIEW TERMS OF IMF PROGRAM WITH GOZ OFFICIALS  
AND PROGRESS IN IMPLEMENTATION BY GOZ. IF THEY ARE  
SATISFIED WITH PROGRESS BEING MADE, CITIBANK WILL THEN  
FORMALLY APPROACH OTHER BANKS AND INVITE PARTICIPATION  
IN SYNDICATION MANAGEMENT GROUP. MESERVE EMPHASIZED  
THAT CITIBANK'S INTENTION IS TO SYNDICATE LEGITIMATE  
NEW CREDIT, NOT "ERATZ" LOAN BASED STRICTLY ON  
CREDITORS' EXISTING EXPOSURE IN ZAIRE. NEVERTHELESS, HE  
ADMITTED THAT CITIBANK HOPES LOAN BREAKDOWN WILL CONSIST  
OF ONE THIRD AMERICAN, ONE THIRD EUROPEAN, AND ONE THIRD  
JAPANESE. (JAPANESE INVOLVEMENT WILL PROBABLY REQUIRE  
EXERCISE OF USG INFLUENCE ON JAPANESE.)

3. LOAN MANAGEMENT GROUP WILL PROBABLY CALL ON USG  
SOMETIME IN EARLY MAY TO REVIEW STATUS OF USG ASSISTANCE  
EFFORTS FOR ZAIRE, AND TO SOLICIT USG HELP WITH JAPANESE.  
IF ALL GOES WELL, LOAN SHOULD BE READY FOR DISBURSEMENT  
BEGINNING IN JUNE. CITIBANK INTENDS SUCH DISBURSEMENT  
WOULD BE IN TRanches OVER ONE YEAR PERIOD. NEEDLESS TO  
SAY, DISBURSEMENT WILL BE DEPENDENT UPON CONTINUATION OF  
FAVORABLE CONDITIONS: GOZ COMPLIANCE WITH DEBT SERVICE  
OBLIGATIONS AND IMF CONDITIONS, AND ABSENCE OF "FORCE  
MAJEURE" CONDITIONS (CIVIL WAR, RUPTURE OF TRANSPORTATION  
LINKS SOUTH, ETC.)  
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4. MESERVE EXPRESSED INTEREST IN NEWS THAT  
AMBASSADOR CUTLER WILL BE RETURNING TO WASHINGTON SOON  
FOR CONSULTATION. HE HOPES THAT FRIEDMAN AND HE WILL  
HAVE OPPORTUNITY TO MEET WITH AMBASSADOR, AND WAS TOLD  
THAT MEETING WOULD BE ARRANGED.  
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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
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**Executive Order:** N/A  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Status:** NATIVE  
**Subject:** CITIBANK'S PLANS FOR IMPLEMENTATION OF LONDON PRIVATE BANK AGREEMENT  
**TAGS:** EFIN, CG, JA, IMF  
**To:** KINSHASA  
**Type:** TE  
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**Review Markings:**  
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